colluded with stock brokers in issuing Pay Orders fraudulently and without any financial wherewithals;

(c) if so, whether this was due to laxity of enforcement cell at Reserve Bank of India which is supposed to keep close watch on fiscal health of co-operative banks, through periodic credit worthiness certification; and

(d) what action is proposed to be taken against concerned officials at RBI for dereliction of duty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) has intimated that their investigations have established that funds were released by the Madhavpura Mercantile Co-operative Bank Ltd. (MMCBL) disregarding RBI regulations and norms of not granting advances to stock brokers. The top management of the Bank colluded with certain companies and firms connected with share brokers and issued pay orders on the strength of irregular over-draft facilities sanctioned to them in clear violation of regulatory norms prescribed by RBI.

Investigations also reveal large scale transfer of funds from Ketan Parekh group of companies to the group companies of the Chairman of the MMCBL which indicates nexus between share brokers and MMCBL. The matter is being investigated by CBI.

(c) and (d) RBI conducts periodic inspections of cooperative banks and the last such inspection of MMCBL was done in September/October, 1999. The matter is under scrutiny.

Seizure at Domestic Airport, Mumbai

4222. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of FINANCE be pleased to state:

(a) how much illegal amount has been seized at domestic airport, Mumbai during the last three years by customs or any other Authority;

(b) the names of the persons from whom this amount was seized or recovered;

(c) what action has been taken so far against them; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) No case of seizure of foreign currency and/or Indian currency has been booked by the field formations under the Customs Department including Directorate of Revenue Intelligence (DRI) at Domestic Airport, Mumbai during the last three years, i.e., 1998-99, 1999-2000 and 2000-2001. However, during the year 1997-98, one case of seizure of foreign currency equivalent to Rs. 41.46 lakhs was booked by Directorate of Revenue Intelligence at Domestic Airport, Mumbai on 12.11.97, wherein a Polish national, namely, Napiorkowski was arrested, who was later released on bail. Subsequently, a show cause notice was issued and the case was adjudicated.

Modification in Sales Tax on Air Turbine Fuel

4223. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to reduce or withdraw the sales tax on Air Turbine Fuel (ATF);

(b) if so, how many States will incur revenue loss; and

(c) what will be the loss each State had to incur?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Under Entry 54 of List II (State List) of the Seventh Schedule to the Constitution of India, Sales Tax is a State subject and it is for the State Governments to take a decision in this regard.

(b) and (c) Does not arise.